ted into equity share according to the guidelines laid down by Government in 1984;

(c) if so, what are the reasons for putting a sudden ban on conversion of non-convertible debentures in June, 1986;

(d) to what extent such an action of Government was in public interest; and

(e) what are the reasons for not putting a ban on the conversion of loans by financial institutions and thereby making discrimination between the two?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) In accordance with the existing guidelines, the institutions stipulate "convertibility clause" in each case where the financial assistance sanction exceeds Rs. 5 crores. However, no conversion option is stipulated by the financial institutions where the aggregate rupee assistance for project finance does not exceed Rs. 5 crores and the combined share holdings of institutions exceeds 26 per cent in the case of non-MRTP companies and 40 per cent in the case of MRTP companies. For purposes of stipulating "convertibility clause" only rupee assistance is taken into account and the foreign currency loans are kept out from the purview of the guidelines.

(b) to (d) The Government took a decision in June, 1986 that conversion of non-convertible debentures and the non-convertible portion of partially convertible debentures into equity shares shall not be permitted. Since then no such approval for conversion have been given.

(e) Convertibility of loans given by all India financial institutions and conversion of otherwise of non-convertible debentures floated by companies are different scheme.

Decline in U.S. aid

1634. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the quantum of U.S. aid to India in 1951 onwards was much more than what is received at present; and

(b) if so, what are the main reasons therefor and what steps are being taken by Government to get more aid from the United States?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) It had been explained by the U.S. authorities that decline in their assistance has been mainly on account of their internal budgetory constraints. Our concern at the cut in aid has been conveyed to the U.S. side.

Haldia Petrochemicals Project

1635. SHRI CHITTA BASU: Will the Minister of FINANCE be pleased to state:

(a) whether Government have re-examined the financial and other aspects of the proposed Haldia Petrochemicals Project in consultation with the State Government of West Bengal; and

(b) if so, what are the results of the re-examination?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) The IDBI had as a result of its appraisal of the project at Haldia indicated that the size of the ethylene plant which was part of the project was well below the minimum economic size and as a result the costs of production would be